

Message Text

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TAGS: EGEN, CIEC, OECD

SUBJECT: XCSS: DRAFT SECRETARIAT PAPER ON THE CIEC

WE ARE PROVIDING BELOW THE TEXT OF A DRAFT DOCUMENT CIRCULATING WITHIN THE SECRETARIAT ON THE CIEC DIALOGUE.

WE DO NOT YET KNOW THE PRECISE USE TO WHICH THIS PAPER WILL BE PUT, WHETHER IT WILL BE GENERALLY CIRCULATED OR USED ONLY WITHIN THE XCSS INFORMAL BUREAU, OR WHETHER IT WILL PERHAPS NOT BE CIRCULATED AT ALL BUT BE USED AS THE BASIS FOR ORAL PRESENTATIONS BY THE SECRETARY-GENERAL. FRENCH PORTIONS OF THIS PAPER HAVE BEEN TRANSLATED INFORMALLY BY THE MISSION.

BEGIN TEXT

DIALOGUE WITH THE LDCS

SOME ISSUES FOR DISCUSSION AT THE EXECUTIVE COMMITTEE

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FIFTEENTH SPECIAL SESSION

THE NEGOTIATIONS STARTED OR FORESEEN IN MULTIPLE FORUMS BETWEEN INDUSTRIALIZED AND DEVELOPING COUNTRIES FORM A WHOLE WHICH REQUIRES A COHERENT APPROACH BASED ON A GENERAL APPRECIATION OF THE OBJECTIVES BEING PURSUED.

FOR THE INDUSTRIALIZED COUNTRIES IT IS OF GREAT IMPORTANCE TO HAVE A CLEAR IDEA OF:

- (A) THE INTERACTIONS BETWEEN THE DISCUSSIONS ON ENERGY AND ON THE OTHER ISSUES OF THE RELATIONS WITH LDCS; AND
- (B) THE TIMING AND THE FRAMEWORK WITHIN WHICH CONCRETE RESULTS IN THE NEGOTIATIONS WITH LDCS SHOULD BE AIMED AT.

BY THE END OF 1976 IT SHOULD BE APPARENT THAT POLITICAL INTENTIONS ANNOUNCED OR INDICATED BY OECD COUNTRIES AT THE MINISTERIAL MEETING IN MAY 1975, AT UNGASS IN SEPTEMBER 1975 AND AT THE CIEC IN DECEMBER 1975 ARE BEING TRANSLATED INTO CONCRETE ACTION.

BUT AT THIS TIME, IT IS USEFUL TO HAVE A MORE PRECISE IDEA ABOUT THE ATTITUDE TO TAKE DURING THE NEXT THREE OR FOUR MONTHS. THESE NEGOTIATIONS ARE IN EFFECT A CONTINUOUS PROCESS COMPRISING A NUMBER OF STAGES OF WHICH UNCTAD IV IS ONLY THE FIRST, AND EVIDENTLY CIEC AND THE MTN ALSO HAVE IMPORTANT ROLES TO PLAY.

THE INTER-RELATIONS AMONG THE DIFFERENT ELEMENTS OF THE NEGOTIATION ARE INEVITABLE.

THE CONCERN TO AVOID A SETBACK (ECHEC) AT NAIROBI--WHICH WOULD NOT FAIL TO HAVE NEGATIVE REPERCUSSIONS ON CIEC--IS GENERALLY SHARED.

IN VIEW OF ITS TIMING IN THE MIDST OF CIEC, UNCTAD IV MIGHT BEST BE VIEWED AS AN OPPORTUNITY FOR TAKING STOCK OF PROGRESS TO DATE, AND FOR DESCRIBING DIRECTIONS IN WHICH POSITIVE ACCOMPLISHMENTS MAY BE EXPECTED IN THE LIMITED OFFICIAL USE

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FUTURE. AT THE SAME TIME, THERE MAY BE POSITIVE STEPS WHICH CAN BE TAKEN NOW AND WHICH WOULD BE CONSISTENT WITH DEVELOPMENTS EXPECTED OVER THE COURSE OF THE YEAR IN CIEC. FINALLY, UNCTAD IV MIGHT USEFULLY BE USED FOR DISCUSSING, AND PERHAPS DEFINING IN A GENERAL WAY, PERSPECTIVES FOR THE FUTURE, LOOKING BEYOND CIEC.

IN THIS CONTEXT ONE SHOULD BE LED TO RECOGNIZE THAT IT IS

NECESSARY TO REALIZE AT NAIROBI CONCRETE EVEN IF LIMITED
PROGRESS. IT WILL BE NECESSARY THEREFORE TO CLARIFY THE
POSSIBILITY OF ACHIEVING REASONABLE RESULTS IN EACH OF
THE PRINCIPAL FIELDS WHICH WILL BE DISCUSSED AT UNCTAD IV,
NAMELY:

1) RAW MATERIALS

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THE DEVELOPING COUNTRIES WILL JUDGE THE SUCCESS OF UNCTAD
IV BY THE RESULTS WHICH IT WILL HAVE ACHIEVED IN THE
FIELD OF RAW MATERIALS, IN PARTICULAR AS REGARDS THE
QUESTION OF THE "INTEGRATED PROGRAM".

THE INDUSTRIALIZED COUNTRIES ARE NOT IN GENERAL READY TO
ACCEPT THIS INTEGRATED PROGRAM. ARE THEY NEVERTHELESS

READY TO RECOGNIZE THAT UNCTAD IV MUST AIM FOR CONCRETE RESULTS IN THE FIELD OF RAW MATERIALS AND THAT WE SHOULD COME TO AN AGREEMENT ON THE POSITIVE PROPOSALS THEY WILL BE ABLE TO MAKE IN THIS REGARD?

THE EXECUTIVE COMMITTEE IN SPECIAL SESSION WILL BE INFORMED OF THE DISCUSSIONS THAT THE HIGH LEVEL GROUP ON COMMODITIES WILL HAVE HAD ON THIS SUBJECT IN THE COURSE OF ITS MEETING OF MARCH 10 AND 11.

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2) DEBT PROBLEMS OF DEVELOPING COUNTRIES

TOGETHER WITH COMMODITIES, THE PROBLEM OF DEBT RELIEF IS REGARDED BY DEVELOPING COUNTRIES AS ONE OF THE MOST IMPORTANT ISSUES FOR UNCTAD IV. A CONFERENCE OF MAJOR DEVELOPED CREDITOR AND INTERESTED DEBTOR COUNTRIES COULD BE CONVENED UNDER THE AUSPICES OF UNCTAD BY A MAJORITY VOTE.

WHAT CAN INDUSTRIALIZED COUNTRIES DO TO AVOID CONFRONTATION ON THIS ISSUE?

SOME VERY PROBING (APPROFONDIES) DISCUSSIONS HAVE TAKEN PLACE ON THIS SUBJECT IN THE APPROPRIATE GROUP OF THE OECD AND CERTAIN IDEAS HAVE BEEN ADVANCED, BUT THE GENERAL ATTITUDE REMAINS UNFAVORABLE TO ANY APPROACH WHICH MIGHT DEPART FROM A STRICT CONNECTION WITH THE PROBLEMS OF BALANCE OF PAYMENTS AND OF EXTERNAL FINANCING.

THE POSSIBILITY EXISTS, HOWEVER, OF A CASE BY CASE APPROACH WHEN THE PROBLEMS OF INDEBTEDNESS RUN THE RISK OF SERIOUSLY COMPROMISING THE DEVELOPMENT PROSPECTS OF A COUNTRY. IT MIGHT BE NECESSARY THEREFORE TO MAKE THIS KNOWN IN AN OPPORTUNE MANNER AND FOR APPROPRIATE CASES WHILE RECALLING AT THE SAME TIME THAT A CONFERENCE FOCUSED ON INDEBTEDNESS DOES NOT NECESSARILY CORRESPOND TO THE GENERAL INTEREST OF DEVELOPING COUNTRIES.

3. TRANSFER OF TECHNOLOGY

DEVELOPING COUNTRIES ATTACH GREAT IMPORTANCE TO THE PRINCIPLE OF A LEGALLY BINDING CODE OF CONDUCT FOR THE TRANSFER OF TECHNOLOGY.

SINCE INDUSTRIALIZED COUNTRIES FIRMLY RESIST THIS PRINCIPLE, UNCTAD IV MAY FACE A SERIOUS IMPASSE ON THIS ISSUE.

WHAT ALTERNATIVE ACTION CAN BE CONTEMPLATED, AT THIS

STAGE, TO CONTRIBUTE TO A MORE SATISFACTORY OUTCOME OF
UNCTAD IV IN THIS AREA?
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AS FOR THE CODE, WHILE REJECTING THE PRINCIPLE OF A MAN-
DATORY CHARACTER, CERTAIN OTHER IMPROVEMENTS MAY STILL BE

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POSSIBLE. ASIDE FROM THE CODE, WORK BEGUN TO STUDY OTHER
POSSIBILITIES OF FACILITATING THE TRANSFER OF TECHNOLOGY
SHOULD BE ACCELERATED.

4) TRADE IN MANUFACTURED AND SEMI-MANUFACTURED PRODUCTS

TRADE ISSUES ARE ON THE AGENDA OF UNCTAD IV, AS WELL AS
ON THAT OF MTNS. NEGOTIATIONS IN NAIROBI ON THESE SUB-
JECTS SHOULD GO AS FAR AS POSSIBLE.

IN ANY CASE, THE CIEC FRAMEWORK SHOULD BE USED TO
ACHIEVE PROGRESS DURING THIS YEAR FOR PROBLEMS CONCERNING
LDCS, WITHOUT WAITING FOR THE OUTCOME OF GATT NEGOTIATIONS

FROM A TACTICAL VIEWPOINT, THE TWO CIEC SESSIONS OF
MARCH AND APRIL WHICH WILL PRECEDE UNCTAD COULD PROVIDE
AN OPPORTUNITY TO PREPARE AND FACILITATE THE NAIROBI
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DISCUSSIONS. IT COULD INDEED BE USEFUL TO EXPLAIN IN A
MORE RESTRICTED FRAMEWORK THE LIMITS THAT WILL NECESSAR-
ILY BE ENCOUNTERED IN THE DIFFERENT SECTORS AND BY THIS MEANS TO
LESSEN THE RISKS OF CONFRONTATION AT UNCTAD. END TEXT
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